

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39321
[REDACTED],)	
)	
Petitioner.)	DECISION
_____)	

On June 3, 2014, the Idaho State Tax Commission (the Commission) issued a Notice of Deficiency Determination (Notice) to [Redacted] (Petitioner) proposing income tax and interest for taxable year 2010, in the total amount of \$5,088. The Commission hereby issues its decision and approves this Notice as set forth herein.

BACKGROUND

The Tax Discovery Bureau (the Bureau) adjusted Petitioner's income tax return to match changes made by the [Redacted] in a final federal determination. Petitioner received a final federal determination from the [REDACTED] for taxable year 2010. The [REDACTED], in this determination, concluded that Petitioner had underreported his income for taxable year 2010. Petitioner had reported a \$130 loss. The [REDACTED] adjusted this amount to \$59,646 to reflect income information that it received. Petitioner failed to notify the Commission of the federal determination.

The Bureau made efforts to prompt the Petitioner into paying the tax he owed. On April 15, 2014, and then again on May 15, 2014, the Bureau notified Petitioner that he had an outstanding balance. Petitioner did not provide payment of the amount owed and the Bureau sent Petitioner its Notice on June 3, 2014, asserting that Petitioner owed Idaho income tax, penalty, and interest in the amount of \$5,088. The Notice was based on the information the Commission received from the [REDACTED].

In response to the Notice, and as a result of the Bureau's efforts to contact Petitioner, Petitioner protested the Notice. Petitioner indicated that he was incarcerated and needed additional time to obtain his financial records and provide a response to the Notice. Petitioner provided no additional documentation or information.

On June 3, 2015, the Commission sent Petitioner a letter explaining his right to an informal hearing and his right to provide additional statements, documents, or other material to the Commission for its review. Petitioner has not responded to this letter, has not requested an informal hearing, and has not provided any additional information.

ANALYSIS

Idaho Code § 63-3002 states that the intent of the Idaho Legislature is to make Idaho's measurement of taxable income identical to the Internal Revenue Code's measurement of taxable income. "The term 'taxable income' means federal taxable income as determined under the Internal Revenue Code." Idaho Code § 63-3011B. Thus, any changes made to Petitioner's federal taxable income by [Redacted] should also be reflected in a change to Petitioner's Idaho taxable income. The Petitioner has provided no information or documentation to demonstrate why the adjustment made by the [REDACTED] in its federal determination does not accurately reflect Petitioner's income for taxable year 2010.

Additionally, because Petitioner failed to notify the Tax Commission in writing of the federal determination within 60 days' time, a five percent negligence penalty is appropriate. See Idaho Code §§ 63-3069 and 63-3046 (a) and Administration and Enforcement Rule 410.

THEREFORE, the Notice of Deficiency Determination for taxable year 2010, dated June 3, 2014, and directed to [Redacted], is APPROVED and MADE FINAL.

IT IS ORDERED that the Petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$4,335	\$217	\$788	<u>\$5,340</u>
			TOTAL DUE	<u>\$5,340</u>

Interest is calculated through January 31, 2016.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2016.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2016, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
